



Regulation of Territorial Advisory Committees and Territorial Councils

Foreword

Iren is a listed company whose capital is largely owned by local communities.

The Iren Group operates in the local public services sector and has chosen to grow sustainably, together with its stakeholders, by providing efficient and quality services through sustainable management of natural resources.

Iren, on the basis of its corporate values and following the guidelines on the operating and management model approved by the municipal councils of the shareholder municipalities, sets up the Territorial Advisory Committees (Comitati Consultivi Territoriali, *in short: Committees*) or Territorial Councils (*in short: Councils*).

Art. 1 - Purpose

The purpose of the Committees and Councils is to create a structured channel of dialogue between the Iren Group and stakeholders on the following issues:

- environmental and social sustainability of the company's development plan: the Committees and Councils gather the sensitivity of the territory with regard to ethical, environmental and social aspects linked both to the impact on the community of the Iren Group's activities and to the best possible synergies that can be created between the Group and the reference territory;
- quality of services offered (*customer satisfaction*): the Committees and Councils aim to stimulate the constant improvement of services as well as transparency and fairness in contractual relations, promoting their correct application;
- collection of contributions and suggestions.

The Committees and Councils are:

- places of discussion, open, where the expressions of the territory come together for a common purpose of responsibility;
- a space in which to communicate, disseminate, promote the objectives and results achieved in the territories by investing in the three dimensions of sustainability: economic, social, environmental;
- a tool for listening to the needs and expectations of local stakeholders in relation to the actions of the Iren Group;
- meeting place of local knowledge (universities, associations, etc.) with the central knowledge of the company.

The Committees and Councils make the Iren Group's Code of Ethics their own and undertake to carry out their activities with respect for their roles, informing all initiatives on the principle of loyal cooperation.

Art. 2 - Establishment of Local Committees

The committees do not have legal personality, they are set up on a provincial basis, in territories with a population of over 250,000 inhabitants, and correspond to the geographical areas in which the Iren Group provides services. The charter, i.e. the agreement between the members of the Committee that gives rise to the Committee, is finalised by the minutes drawn up by the Deputy Chairperson, which record the names of the members of the Committee and their signing of these Rules.

The incorporation procedure is initiated by Iren as follows:

- a call for tenders is published on the company's website for the identification of Consumer Associations, Trade Associations, Environmental Associations, etc., and in any case Associations that are recognised and present in the territory and registered with the provincial Chamber of Commerce or registered with the Inland Revenue Agency. Also, associations that have achieved recognition in the area by distinguishing themselves for their participation in the public debate on issues relevant to the action of the Iren Group and that will, within 30 days of the publication of the call, register with the regional Registers of Associations or the Chamber of Commerce;
- through the call for tenders, the Board of Directors of Iren communicates its intention to proceed with the identification of the members of the Committee by carrying out the appropriate publicity and assigning a deadline, not less than 30 days, within which all the above-mentioned parties may express their interest in participating in the Committee by indicating one of their representatives.

If requests are received from a number of Associations exceeding the number of seats available on the Committee, the Deputy Chairperson of Iren, on the basis of the requests received, shall convene a meeting among all the Associations that have applied to elect by majority vote the members of the Committee, in the number specified in art. 4 below, according to the criteria of representation indicated in the call for applications, which must include representative categories from secondary schools and the University.

The Iren Group publishes the call for the establishment of the Committee on its website, giving appropriate notice through a press release. Within the 40-day deadline, applications must be formalised according to the requirements of this article, specifying the category to which they belong. Within 15 days following the publication of the nominations on the Company's website, the Iren's Deputy Chairperson will convene the Assembly of the Associations that have put forward nominations to identify the members, should this be necessary.

The members identified by the Assembly will be ratified by the Board of Directors.

Art. 3 - Tasks and Activities of the Committees

The Committees have the fundamental role of providing an active interface with the Iren Group to address issues consistent with the "Purposes" expressed in Article 1 and therefore useful to:

- improve inadequate situations, promote periodic moments of structured consultation aimed at fostering the constant quality, innovation and enrichment of services to users, in line with the provisions of the regulatory bodies;
- promote periodic consultation on relevant aspects affecting the environment, sustainability and equity;
- promote, in agreement with the Iren Group, projects for the environmental and social sustainability of the territory within the limits of the budget allocated to the Committee;
- fostering continuous dialogue with the local area, ensuring that they are constantly rooted in their communities.

The Committees also take on the role of first interface and moderator between the Company and the external contributions received from the structured IT platform (ref. art. 6), through which citizens/users, even if they are not actual members of the Committee, can participate and contribute to specific discussions agreed in the Committee or propose on their own initiative issues or projects to be submitted to the Committee for possible discussion.

The main activities entrusted to the Territorial Committees are to:

- collect information on the services provided by the company through contacts with the company and through requests for reports agreed with the company;

- organise meetings to discuss and explore in depth, with the relevant Group Representatives, issues of general interest in the field of user relations;
- organise meetings with Group representatives to discuss and explore the Company's 'Business Plan' at intervals connected with the Group's review of the Business Plan;
- collect requests and reports from individual users (including through interaction with the on-line platform), from groups of users organised or not in structured associations, from municipalities and associations of municipalities who need to inform the company on relevant issues including, but not limited to, any inadequate service levels. The Committee's task is to screen such requests on the basis of general interest or particular relevance, thus ensuring that they are dealt with appropriately;
- hold meetings with Iren Group Managers to organise an annual conference aimed at the reference territory to present the Sustainability Report and to assess and present the service policies implemented (in the final balance) and planned (in the budget);
- organise, in collaboration with the Iren Group, meetings or seminars on specific topics in order to disseminate and share as much information as possible on the public services provided, as well as tariffs, regulations and distribution methods.

The request for a meeting of the Iren Group's Personnel Committee must be formalised to the Group's Deputy Chairperson, or his delegate, who will identify and convene the employees involved from time to time.

Art. 4 - Composition and Appointment of the Committees

The Territorial Committees are made up of 15 members, rising to 18 in the case of provinces with a population of more than 800,000 inhabitants, identified according to the procedures set out in Article 2 of these Rules.

The identification of members must ensure maximum representation of territorial realities.

The representatives of the institutions and the Iren Group listed below are also ex officio members of the Committees:

- 1 representative of the capital city;
- 1 representative of the municipalities of the province in rotation if they are clients of Iren;
- 1 representative of the local university;
- the Deputy Chairperson of Iren
- Iren's Chairperson, as a permanent guest.

A Chairperson and a Deputy Chairperson of the Committee are to be appointed from among the members of the Committee and must ensure the orderly conduct of its work.

The Committee decides by a simple majority of its members.

If, for any reason, it becomes necessary to replace a member, the Chairperson of the Committee is required to inform the Deputy Chairperson of the Iren Group who, if the represented Association has not already indicated a replacement representative, will contact the Association in order to receive the indication of a new representative. The new representative must in any case be confirmed by the Committee in place of the outgoing representative at the first meeting. In this case, the successor remains in office until the natural end of the Committee's term of office.

Persons in a paid employment or collaboration relationship or in a litigation relationship with Group companies may not be members of the Committee.

The work performed by members of the Committee does not entitle them to any remuneration, reimbursement of expenses or attendance fees.

Art. 5 - Functioning of the Committees

Each Committee has a dedicated space within Iren's provincial headquarters to which the Committee belongs



and a secretariat composed of an operator made available by Iren, within budget limits, and other figures, if necessary, engaged on a voluntary basis.

Iren's offices and structures are committed, within the limits of the regulations inherent to the company's status as a listed company and industrial confidentiality, to providing the Committee with feedback and answers to questions and issues raised within 30 days of the request, including feedback and answers to contributions received from the on-line platform.

Each Committee shall meet at least twice a year when convened by the Chairperson of the Committee and in any case at the request of at least one third of its members.

In the event that reasons of efficiency and/or exhaustiveness of the topics dealt with make it advisable, the Committee may invite regulatory and/or supervisory bodies to its meetings, whose contribution will be limited to the specific item on the agenda.

The Chairperson of the Committee, through the secretariat, will send convocations to interested parties by e-mail at least 10 days in advance, informing the Deputy Chairperson of the Iren Group in advance.

Committee meetings are valid if at least the majority of its members attend.

In the event of at least three consecutive absences, even if justified, of an appointed member, the Committee, having heard the member's reasons, has the right to assess the advisability of replacing him or her with the aim of keeping the Committee's instrument alive and profitable through the participation and interaction of all its members.

Summary minutes of each meeting of the Committee are drawn up by the secretary, appointed from time to time from among the members (or a member of the Secretariat), which record the positions and orientations taken in the discussion.

The minutes and proceedings of the Committee are numbered and kept at the Committee's headquarters and can be consulted on the Internet.

Art. 6 - External contributions and on-line platform

The Committees use an on-line platform made available by the Iren Group, accessible from the company website, where citizens can publish their contributions on comparisons and discussions scheduled in the Committees' meetings, or put forward new proposals and duly structured and motivated arguments that can be the subject of both discussion within the Committees and specific responses from the Company.

The on-line platform is a tool for discussion, participatory planning and collaboration, aimed at promoting a two-way interaction between the Iren Group and the territories, and is based on a strong relationship of trust, a *participatory pact*, in fact, founded on the company's commitment to use the contributions of citizens/users in a profitable and correct way and to justify any failure to accept the proposals received.

Participation in the platform is open to all, but regulated by a *code of conduct*, drawn up and periodically updated by the company after consultation with the committees, with the aim of clarifying the purpose of the platform and promoting constructive, concrete and free dialogue.

Art. 7 - Resources of the Committees

The Iren Group covers the expenses necessary for the operation, tasks and activities of the committees by allocating to them an annual budget, jointly determined by the CEO and the Deputy Chairperson specifically delegated to the "Territory Committees". The budget is managed by the Deputy Chairperson of Iren, who reports periodically to the Chairpersons of the Committees and annually to the Board of Directors.

In the event that the Committee undertakes activities that are characterised by a multi-annual duration, the Committee may not commit, for the year following the current year, more than one third of the annual appropriation allocated for the current year.

Art. 8 - Duration and Renewal of Committees

The Committee's term of office is three years. Upon expiry, the Committee shall be deemed renewed if at least five members, other than the ex officio members, do not withdraw. At the end of the three-year period, the participating Associations that do not wish to take on a new mandate will notify their withdrawal and will be replaced in the same way as when the Committees were set up (ref. Art. 2).

In this case, if more applications are received than there are vacancies on the Committee, the Deputy Chairperson of the Iren Group, together with the outgoing Chairperson of the Committee, will proceed to identify the new members by drawing lots. The new members thus identified will be confirmed by the Committee at its first meeting.

The Committee, renewed at the end of the three-year period, will appoint from among its members a Chairperson and a Deputy Chairperson, in the manner and with the tasks already specified in Article 4.

If, at the end of the three-year term of office, the number of Member Associations wishing to continue the term of office is equal to or less than 4, the Committee shall be considered to have lapsed and a new Committee shall be formed in accordance with the procedures set out in Article 2.

Art. 9 - Territorial Councils

The Territorial Councils do not have legal personality and are established on a provincial basis, in the case of geographical areas of service provision by the Iren Group not exceeding 250,000 inhabitants.

Councils have the same purpose as Committees (ref. Art. 1). In particular, the Council is the place where the Iren Group continuously communicates its policies, strategies and initiatives, in order to involve the territory in the development of its services, also collecting contributions, suggestions and criticalities, with a view to continuous improvement.

Each Council is made up of 10 members, identified by the Iren Group from among the recognised associations present in the area, representing economic categories, consumers, the environment, students and universities. In addition to the above, there are 3 ex-officio members: 1 representative of the capital municipality, 1 representative of the municipalities in the province, customers of the Iren Group, on a rotating basis, and the Deputy Chairperson of Iren or his delegate.

The constitutive act of the Council is finalised with the minutes drawn up by the Deputy Chairperson of the Iren Group (or his/her delegate) at the first meeting of the identified members, and the signing by them of these Rules.

A Chairperson and Deputy Chairperson of the Council are to be appointed from among the members of the Council and ensure the orderly conduct of its work.

The Council decides by a simple majority of its members.

If, for any reason, it becomes necessary to replace a member, the Chairperson of the Council is required to inform the Deputy Chairperson of the Iren Group who, if the represented Association has not already indicated a replacement representative, will contact the Association itself in order to receive the indication of a new representative who will remain in office until the end of the Council's term of office. In the event that the Association does not wish to indicate a new representative and, consequently, no longer participates in the Council, Iren will identify another Association to replace it, in order to ensure the widest participation.

Those who are in a paid employment or collaboration relationship or in litigation with Group Companies may not be members of the Council.

The work performed by members does not entitle them to any remuneration, reimbursement of expenses or attendance fees.



Art. 10 - Functioning of the Councils

The Council shall meet at least twice a year when convened by the Chairperson of the Committee (chosen from among its members) and in any case at the request of at least one third of its members.

The Chairperson of the Council, through the secretariat provided by Iren, will send convocations to interested parties by e-mail at least 10 days in advance, informing the Deputy Chairperson of the Iren Group in advance.

Meetings of the Council are valid if at least the majority of its members attend.

In the event of at least three consecutive absences, even if justified, of a member, the Council, having heard the member's reasons, may consider replacing him/her, with the aim of keeping the instrument of the Council alive and profitable through the participation and interaction of all its members.

Summary minutes of each meeting of the Council are drawn up by the secretary, identified from time to time among the members (or in the secretariat provided by Iren), in which the positions and orientations taken during the discussion are reported.

The minutes of the Council are numbered and kept at the Council's headquarters and can be consulted on the Internet.

The duration of the Council is three years. On expiry, it may be renewed in the same way as when it was set up (ref. Art. 9).

Art. 11 - Dissolution

The Committees and Councils are dissolved by the Board of Directors of the Iren Group if they are not convened for more than one year (inactivity) or if the necessary quorum is not reached for three consecutive convened meetings (non-operation), or if the majority of their members cease to hold office.

Art. 12 - Final provisions

These regulations are approved by the Board of Directors and adopted by each Committee and Council.

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